



Department of Justice

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Southern District of Indiana**

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HOGSETT ANNOUNCES CHARGES AGAINST GREENWOOD RESIDENT FOR TAX EVASION

*Joint investigation with Lawrence Police Department led to federal charges as part of effort to
combat "culture of corruption"*

PRESS RELEASE

INDIANAPOLIS – Joseph H. Hogsett, the United States Attorney, announced today that Stephanie L. Donelli, age 35, of Greenwood, has been charged with five counts of tax evasion. The indictment alleges that over a period of five years, Donelli fraudulently filed federal tax returns, avoiding payment of more than \$80,000 in owed income taxes.

"We are dedicated to ending the culture of corruption in this state, and I am proud to say that this is a true team effort," Hogsett said. "Working with local partners like the City of Lawrence Police Department, we are reducing fraud and waste and protecting Hoosier taxpayers."

According to the indictment, Donelli allegedly filed five fraudulent tax returns between 2008 and 2012, all of which understated her adjusted gross income for the prior calendar year. The amount of understated tax liability allegedly increased every year, beginning with \$2,664 on the 2007 tax returns, escalating to nearly \$29,000 on the 2011 returns. The government alleges the total loss to taxpayers to be \$84,573.

The investigation into Donelli's alleged activities began in June 2011, when the Lawrence Police Department received a report that the defendant was defrauding an elderly individual. The police report filed at the time indicates that the 84 year old alleged victim said she had been providing regular payments to Donelli in return for a promised return based on pending litigation. The police report indicates that the litigation did not exist.

"The Lawrence Police Department and IRS conducted a successful investigation into the victimization of these elderly individuals. As research has proven, elderly victims suffer a more

negative effect than other age groups,” said Lawrence Police Chief Michael L. Walton. “I have high regard for the investigators who worked together on this case effectively and efficiently for the past year to protect our community.”

This prosecution comes as Hogsett has made it a priority of the U.S. Attorney’s Office in 2012 to aggressively combat corruption and fraud in central and southern Indiana. The case is the result of a collaborative investigation by the Internal Revenue Service and the Lawrence Police Department.

According to Assistant U.S. Attorney Doris L. Pryor, who is prosecuting the case for the government, Donelli could face up to five years in federal prison and fines of up to \$100,000 if she is found guilty. She could also be ordered to serve up to three years of supervised release.

An indictment is only a charge and is not evidence of guilt. All defendants are presumed innocent and are entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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